in October, 1989. This was done in accordance with the provisions of para 179 of the Import-Export Policy (1988—91).

Shares of Public Financial Institutions in Modi Rubber Ltd. Modipuram

*123. SHRI SURENDER SINGH : Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that various public financial institutions hold more then fifty per cent of shares in Modi Rubbers Ltd., Modipuram;

(b) whether malpractices such as black marketing, leakage of funds, tax evasions etc. committed by the management of the company have come to the notice of the financial institutions;

(c) if the answer to part (b) above be in the affirmative, what are the details thereof : and

(d) what action has been taken by the financial institutions to project their interests in the company?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI) : (a) to (d) It has been reported by Industrial Finance Corporation of India (IPCI) that financial institutions namely, Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IPCI), Unit Trust of India (UTI), Life Insurance Corporation and the nationalised banks together hold nearly 51 per cent of the total share capital of Modi Rubber Limited (MRL). To protect their interest and to ensure proper financial discipline, the Company's Board has been reconstituted with an independent Chairman and suitable institutional representation on it. In addition, there is a Management Committee which includes institutional nominees and is presided over by an independent Chairman. Institutional nominee is also on the Audit Sub-Committee of the Board. An independent professional whole-time Finance Director has been appointed by MRL.

IFCI has reported that no specific case of black marketing, leakage of funds, etc. has come to their notice. It has further reported that the Company is contesting the income tax and excise liabilities raised and is taking up the matters with the concerned authorities. However, as indicated above, institutions have initiated suitable steps for maintenance of financial discipline in the Company, resulting in improvement in the financial performance.

Fraud cases in Nationalised Banks

*124. CHOWDHRY HARI SINGH:
SHRI KRISHNA KUMAR BIRLA:

Will the Minister of FINANCE be pleased to state:

(a) what is the percentage rise in bank fraud cases during 1989-90 as compared in those detected in 1988-89;

(b) what are the names of the nationalised banks in which there is an upward trend of such cases stating the estimated amount involved;

(c) what is the number of cases resulting in convictions/dismissals stating the rank of the officials involved during 1988-89 and 1989-90; and

(d) what measures have been taken by Government to plug the loopholes so as to effectively check such fraud cases in the nationalised banks?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) The Reserve Bank of India has reported